

Message Text

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ACTION AID-59

INFO OCT-01 AF-08 IO-13 ISO-00 EUR-12 SS-15 NSC-05 NEA-10
TRSE-00 OMB-01 CIEP-02 EB-07 XMB-04 IGA-02 H-02 FRB-01
L-03 SP-02 CIAE-00 INR-07 NSAE-00 /154 W
-----180246Z 073246 /66

R 171550Z JAN 77

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 1631

UNCLAS ABIDJAN 0466

PASS TO SCOTT AND NORTH AA/AFR

E.O. 11652: N/A

TAGS: ECIN, AFDB, US

SUBJ: HOUPHOUET-BOIGNY LETTER TO PRESIDENT ELECT CARTER
ON USG LOAN TO AFRICA DEVELOPMENT BANK

1. PRESIDENT FORDWOR OF AFRICAN DEVELOPMENT BANK INFORMED
AID REDSO DIRECTOR WEDEMAN ON FRIDAY, JANUARY 14, THAT
PRESIDENT HOUPHOUET-BOIGNY IS PREPARING A LETTER TO
PRESIDENT ELECT CARTER URGING THE USG TO MAKE A LOAN TO THE
AFRICAN DEVELOPMENT BANK.

2. THIS IS PART OF A MULTI-PRONGED EFFORT BY FORDWOR TO
INCREASE CAPITAL RESOURCES OF AFDB, SEPARATE AND APART
FROM THE DESIRE TO HAVE GREATER FOREIGN INPUTS INTO THE
AFRICAN DEVELOPMENT FUND, THE SOFT-LOAN WINDOW OF THE
BANK WHICH THE U.S. HAS RECENTLY JOINED. HOUPHOUET,
ZAMBIA & TANZANIA WERE ASKED BY FORDWOR TO WRITE LETTERS TO
FRG, NETHERLANDS AND CANADA REQUESTING LOANS TO AFDB,
WHILE MOROCCO AND EGYPT WERE REQUESTED TO APPROACH
KUWAIT, SAUDI ARABIA AND QATAR. AS AT JANUARY 14,
FORDWOR DID NOT KNOW WHETHER ANY OF THE LETTERS HAD
BEEN WRITTEN. HOWEVER, IN THE CASE OF THE IVORY COAST,
HOUPHOUET HIMSELF HAD SUGGESTED A LETTER ALSO BE WRITTEN
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TO THE PRESIDENT ELECT AND VOLUNTEERED TO DO SO. IN A
CALL TO THE MINISTRY OF FINANCE DURING CONVERSATION,
FORDWOR WAS NOT ABLE TO DETERMINE WHETHER HOUPHOUET
SIGNED THE LETTER BEFORE DEPARTING ON A CURRENT TRIP TO
TOGO AND NIGERIA.

3. COMMENT: FORWOR FACES A REAL PROBLEM IN THE DEPLETION

OF RESOURCES OF THE BANK PROPER. SO FAR AS WE KNOW THE ONLY CAPITAL THE BANK HAS BEEN ABLE TO RAISE RECENTLY WAS A NIGERIAN AGREEMENT IN THE EARLY PART OF 1976 TO PROVIDE ABOUT \$80 MILLIONS TO THE BANK. LACKING ANY OTHER SOURCE OF FUNDS FOR THE BANK PROPER, FORDWAR IS PROBABLY TOTALLY DEPENDENT ON THE EXTERNALLY FINANCED AFRICAN DEVELOPMENT FUND.

4. HE CLEARLY IS INTERESTED IN ULTIMATELY INVOLVING COUNTRIES OUTSIDE OF AFRICA DIRECTLY IN THE BANK ITSELF SO AS TO PROVIDE A FOUNDATION FOR BORROWING IN WORLD MONEY MARKETS. FORDWOR IS AWARE OF AID'S EXPERIENCE WITH TRYING TO AUTHORIZE A DEVELOPMENT LOAN TO THE BANK SEVERAL YEARS AGO, BUT IS NOT DAUNTED. HE DID SAY THAT HE WAS PREPARED TO TAKE LOANS ON RELATIVELY HARD TERMS IN ORDER TO GET THE BANK MOVING.

5. EMBASSY IS AWARE OF LEGISLATIVE AND OTHER DIFFICULTIES INVOLVED IN ARRANGING DIRECT U.S. DEVELOPMENT ASSISTANCE TO THE BANK. IT IS NEVERTHELESS IMPORTANT TO AVOID GIVING HOUPHOUET (OR FORDWOR) THE IMPRESSION OF A LACK OF U.S. INTEREST IN ASSISTING AFDB/AFDF TO THE EXTENT POSSIBLE. THE BANK AND FUND ARE PAN-AFRICAN LENDING INSTITUTIONS AND, RIGHTLY OR WRONGLY, THE U.S. ATTITUDE TOWARD THEM WILL BE TAKEN AS AN INDICATION OF THE ATTITUDE OF THE U.S. IN GENERAL, AND THE NEW ADMINISTRATION IN PARTICULAR, TO AFRICAN DEVELOPMENT. WE SHOULD THEREFORE USE THE HOUPHOUET LETTER AS A VEHICLE TO EXPRESS OUR LONGER-TERM PLANS TO ASSIST THE AFDB/AFDF. THIS MAY UNCLASSIFIED

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INDEED BE THE MOMENT TO CONSIDER WHETHER THE ADDITIONAL \$10 MILLION ALREADY AUTHORIZED - RAISING THE TOTAL U.S. SUBSCRIPTION ONLY TO A MODEST \$25 MILLION - IS REALLY ADEQUATE IN VIEW OF THE IMPORTANCE, BOTH ACUTAL AND SYMBOLIC, OF THE ROLE THAT CAN AND WILL BE PLAYED BY THE BANK AND FUND UNDER FORDWOR'S ENERGETIC LEADERSHIP. WE BELIEVE, IN OTHER WORDS, THAT IT IS NOT TOO EARLY TO CONSIDER NOW THE FEASIBILITY OF ASKING CONGRESS THIS SPRING FOR FURTHER AUTHORIZATION FOR THE FUND WHICH WOULD RAISE THE U.S. SUBSCRIPTION TO A TOTAL OF \$75 MILLION, EQUIVALENT TO THAT OF CANADA. STEARNS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOBBYING, POLICIES, FUND ALLOTMENT, DIPLOMATIC COMMUNICATIONS, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ABIDJA00466
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770017-0844
Format: TEL
From: ABIDJAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770147/aaaabpcl.tel
Line Count: 109
Litigation Code IDs:
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8cddf2d8-c288-dd11-92da-001cc4696bcc
Office: ACTION AID
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3585757
Secure: OPEN
Status: NATIVE
Subject: HOUPHOUET-BOIGNY LETTER TO PRESIDENT ELECT CARTER ON USG LOAN TO AFRICA DEVELOPMENT BANK
TAGS: ECIN, US, AFDB, (HOUPHOUET-BOIGNY, FELIX), (CARTER, JIMMY), (FORDWOR, KWAME)
To: STATE
Type: TE
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